

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS TEGUCIGALPA 001384

SIPDIS

DEPT. FOR WHA/PD; IIP/G/WHA DIPASQUALE; AND IIP/T/ES
DEPT. FOR PM AND EB/TRA
DEPT. FOR WHA/EPSC, WHA/PPC AND WHA/CEN

E.O. 12958: N/A

TAGS: [OIIP](#) [KPAO](#) [PGOV](#) [MASS](#) [EAID](#) [HO](#)

SUBJECT: MEDIA REACTION ON DEBT FORGIVENESS, JUNE 29, 2005

11. The Tegucigalpa-based liberal daily "La Tribuna" published an op-ed by Rene Duron Escoto entitled "Debt Forgiveness or Condemnation." "When the agricultural workers and farmers talked about the government's debt forgiveness I warned many of them that DEBT FORGIVENESS is a CONDEMNATION and it is natural for it to be that way because if a normal or a business person is forgiven a debt it is because he couldn't pay his creditors and it means that he is a 'bad customer.'"

"No credit, no harvest."

"Have you ever asked yourselves why didn't El Salvador accept the debt forgiveness? They prefer to pay their debt slowly and maintain their credit with the international organizations. Will these organizations lend us money after our debt forgiveness? What will happen with the forgiven money now that the government has to use it to attack the terrible poverty that our country has? We are really facing a delicate situation especially if we take notice that in our country being corrupt is the NORM and being honest is the EXCEPTION."

"Debt forgiveness or Condemnation, what do you think?"

12. "La Tribuna" published an op-ed by Juan Ramon Martinez entitled "Real Strategy for Enrichment." "We are skeptical of any poverty reduction strategy that has been created bureaucratically without taking into account internal dynamics of any country in the world. It doesn't matter that the initiative is admirably incorporated into the 'The UN Objectives for Millennium Development' or that some philanthropic organizations are convinced of the probability of reducing world poverty by 50 percent by 2015. Granted, our skepticism does not in any way invalidate these unique ideas. There is a need for a reframing oriented towards the formulation and execution of a strategy that is better designed to solve the underlying problems of Honduran society. Knowing that no technocratic measures will be able to solve anything if we ourselves or the people of fourth world countries do not do it."

"I praise the real possibility that the meeting between the richest countries of the world, 'G-8', to be held in Gleneagles Scotland, will confirm the pardon of a considerable portion of Honduras' foreign debt. However, we must consider the pros and cons of the debt forgiveness. The only viable option is that the amounts budgeted for the payment of annual debt interest to be assigned to the timely execution of some state investments. Otherwise the money will be diluted into various line items in the budget used for mounting political campaigns of the aforementioned 'poverty reduction.'"

"One of the many reasons why we must reactivate an economic planning institution for the consolidation of state and private initiatives is that Honduran investors have demonstrated ten thousand times that they are only interested in reactivating economic north-south corridors and promoting small family businesses, without regard to the tremendous strategic needs of micro industries and the whole population. I am 90% certain that the rich in Honduras will never be able to create a market economy, much less a real strategy that will lift the rest of the population from abject poverty. At least they will never achieve this in the next fifty years. The rich topic of the necessity of a moderate intervention by the State in the process of economic takeoff (in other words the third way capitalism) versus the egoism of some of our investors, we will discuss another time."

Palmer